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Report of the Secretary-General on the United Nations Integrated Mission in Timor-Leste (for the period from 9 August 2006 to 26 January 2007)

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1704 (2006), by which the Council established the United Nations Integrated Mission in Timor-Leste (UNMIT) and requested the Secretary-General to keep it regularly informed of developments on the ground and of the implementation of the mandate of the Mission. The report covers major developments in Timor-Leste since the report of 8 August 2006 (S/2006/628), in which it was noted that the crisis in the country was far from resolved and that many of the underlying factors could only be addressed in the longer term. The long-term commitment of the international community to Timor-Leste remains critical to enabling the return of this new nation to the path of stability and development in a climate of democratic, accountable and responsive governance.

2. As of 26 January 2007, UNMIT consisted of a civilian component comprised of 156 international staff members (52 women), 382 national staff (64 women) and 1,313 police officers (79 women), as well as 33 military liaison and staff officers (1 woman). The Mission is led by my Special Representative, Atul Khare, assisted by two Deputy Special Representatives: Eric Tan Huck Gim, for Security Sector Support and Rule of Law; and Finn Reske-Nielsen for Governance Support, Development and Humanitarian Coordination. Mr. Reske-Nielsen also served as my acting Special Representative from 22 September to 11 December 2006. Until 22 September, my former Special Representative, Sukehiro Hasegawa, continued to serve as the Head of the Mission. UNMIT functions as an integrated Mission, which aims to bring together the peacekeeping, peacebuilding, humanitarian and development actors of the United Nations system. In carrying out its tasks, UNMIT also cooperates and coordinates with all relevant partners, including the international financial institutions and donors, as well as the Government of Timor-Leste and other national stakeholders.

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II. Political developments since August 2006

A. Support for dialogue and reconciliation

3. Following what was perceived as a high-level political impasse following the height of the crisis in April-May 2006, steps were taken by the national leadership and other actors towards national dialogue and political reconciliation. In November 2006, under the auspices of the Dialogue Commission of President Kay Rala Xanana Gusmão, mid-level political dialogue events, primarily involving political parties and civil society, took place, followed by a high-level political dialogue with the participation of top state officials, political party leaders and the commanders of the Timorese armed forces and the national police. The long-awaited public meeting between President Gusmão and former Prime Minister Mari Alkatiri on 8 December, the first since the latter's resignation, was a promising development towards restitution of a cooperative relationship in promoting national objectives.

4. On 10 December, a traditional peace ceremony publicly brought together the national leadership, including President Gusmão, Prime Minister José Ramos-Horta, President of Parliament Francisco "Lu-Olo" Guterres and former Prime Minister Alkatiri. It included a public acknowledgement of collective responsibility for the crisis by President Gusmão on behalf of the four organs of state sovereignty: the Presidency; the Parliament; the Government; and the Judiciary. Similar statements of apology were made by the Commander of the Timorese armed forces (Falintil-Forças Armadas de Defesa de Timor-Leste (F-FDTL)) and the former General Commander of the Timorese national police (Policia Nacional de Timor-Leste (PNTL)) on behalf of their respective national security institutions.

5. These meetings, followed by concrete collaborative action, could mark the beginning of a process to overcome the political impasse. Moreover, after private meetings facilitated by the President, public displays of reconciliatory intent between the commanders and officers of the national security and defence services could similarly constitute a first step in regaining public trust in the national security apparatus, as well as towards a mutually respectful working relationship between the reconstituted and reformed national security and defence services. Practical cooperation between unarmed soldiers and screened police officers in providing assistance for community reintegration of internally displaced persons in Dili was an initial public demonstration of such a working relationship.

6. Concurrent with these high-level activities, community-level dialogue progressed under the Government-led "Simu-Malu" ("to receive each other") programme and the President's Dialogue Commission. These community-based activities, which were principally held in Dili, were aimed at facilitating the reintegration of internally displaced persons and addressing the societal fragmentation that followed the east-west violence and inter-gang fighting in various neighbourhoods, particularly around the internally displaced persons' camps. These activities were supported by UNMIT and United Nations agencies, with the Office for the Coordination of Humanitarian Affairs ensuring coordination with international and national non-governmental organizations and the international security forces that are deployed by Australia and New Zealand to Timor-Leste in response to the requests of the Government ("the international security forces"). These Timorese-led processes contributed to the reduction in

violent incidents between sections of some internally displaced persons' camps and surrounding neighbourhood gangs.

7. My Special Representative and the UNMIT leadership used political good offices with the Timorese leaders to support the emerging dialogue between and among the political leaders, the national security and defence forces, political parties and other relevant actors. In addition to attending relevant meetings and events, they coordinated with others supporting the national reconciliation efforts, in particular the Special Envoy of the Government of Norway and representatives of the Club of Madrid. In using its good offices, UNMIT focused on bringing together the Timorese body politic in preparation for the submission of and the follow-up to the report of the Independent Special Commission of Inquiry (see para. 18 below), as well as on bridging gaps between the various parties on security matters and electoral issues. To ensure regular communication and coordination at the highest levels between the President, the Government, Parliament and UNMIT on all areas related to the Mission's mandate, a Committee on High-Level Coordination was established. The first of the Committee's planned regular fortnightly meetings was held on 10 January 2007; the second meeting was scheduled for 29 January.

8. Despite the efforts made towards national reconciliation and social cohesion, Timor-Leste continues to face many challenges in its attempt to consolidate peace within the country, challenges which may increase in the coming months as it prepares for the first national elections since the restoration of independence on 20 May 2002. Calls for political accountability and justice for the events of April and May 2006 remain widespread among many sections of the population, and might take on increasing significance during the electoral campaign. Justice is rightly seen as an essential precondition for sustainable national reconciliation.

9. The grievances of the dismissed F-FDTL "Petitioners" (see S/2006/628, para. 3), which triggered the April-May security and political crisis, are yet to be resolved. Most of the 594 dismissed soldiers remained in their home villages, predominantly in the western region, with the Government continuing to extend the financial subsidy programme for individual soldiers. A "Commission of Notables", established in May 2006 and consisting of 10 members nominated by the organs of sovereignty, the church and civil society to address the petitioners' allegations of discrimination and unfair treatment, continued to examine the issue.

10. In addition, the armed group led by fugitive F-FDTL Military Police Commander Major Alfredo Reinado, who escaped from Becora Prison with 56 others on 30 August, continued to be a cause for concern, not only because it symbolized the prevailing sense of impunity, but also because of the prospect that the issue could be used politically in the electoral campaign. The F-FDTL Command took steps on behalf of the Government to initiate a dialogue with Major Reinado aimed at bringing about the cantonment of his armed group in order to reduce the potential for security problems and enable the judicial process to proceed. A first meeting between the Commander of the F-FDTL, Brigadier General Taur Matan Ruak, and Major Reinado was held on 21 December. At the request of the President, the Prime Minister and the President of Parliament at the high-level coordination meeting on 10 January 2007, a tripartite delegation was established to engage in a dialogue with Major Reinado. The delegation, including representatives of the Government, the President, the Parliament, the Prosecutor-General, and F-FDTL, together with my Deputy Special Representative Tan and representatives of the

international security forces, met twice with Major Reinado with the objective of convincing him to submit to the judicial process. Further dialogue is being planned. Ultimately, all of the remaining 55 escapees who fled Becora Prison (see para. 30 below), including Major Reinado, need to return so that justice can take its course.

11. The friendly relations between Timor-Leste and Indonesia continued to be strengthened. On 18 December, President Gusmão paid an official visit to Indonesia, where he discussed with Indonesian President Yudhoyono and other Government leaders strengthening border cooperation and enhancing Indonesian business investments in Timor-Leste. The situation along the border between Timor-Leste and Indonesia has remained relatively calm, although occasional cases of illegal smuggling of animals and commercial goods have occurred. A minor border incursion was swiftly resolved on 22 December, when a patrol of seven Indonesian soldiers and three civilians were temporarily detained by Timor-Leste Border Police in Oecusse district. All were returned to Indonesia after it became apparent that there had been a misunderstanding of the protocols for visiting across the border.

B. Support for the electoral process

12. Progress was made towards establishing the necessary legal and regulatory framework for the elections. The laws on the National Commission on Elections, as well as on the Parliamentary and the Presidential Elections, were adopted by Parliament and entered into force on 29 December 2006. The parliamentary elections law requires that one of every four candidates on each party list be a woman. Although not adopted by consensus, the three laws represented a compromise between the positions of the majority Fretilin party and the opposition parties. Initial concerns, leading to protests by a number of opposition parties on the National Commission on Elections, and parliamentary electoral laws, appear to have been overcome, with a number of those same parties changing previously antagonistic positions to become less confrontational. Nevertheless, some continue to be critical of the provision in the National Commission on Elections law, which places the Technical Secretariat for Electoral Administration under the Ministry for State Administration. The President is consulting broadly with the Government and political parties on the election dates.

13. Throughout this process, UNMIT provided legal advice and met with the senior Timorese leadership, political parties and other main actors to encourage compromise and to urge speedy progress so that all parties could adhere to the electoral timelines. UNMIT is also using its good offices to promote a public commitment by all relevant actors to non-violence and to democratic and legal processes in an effort to help ensure that the elections will have a unifying impact and contribute to bringing the people of Timor-Leste together rather than dividing them.

14. While the three electoral laws have now entered into force, complementary rules of procedure and codes of conduct need to be formulated and approved by the National Commission on Elections so that a full electoral legal framework will be in place. There is also a need to select secretariat staff for the Commission who are acceptable to the political parties, as well as to establish premises and provide logistic support to enable it to function as an effective oversight body. The 15-member Commission was appointed in mid-January and comprises: three

persons each nominated by the President, the National Parliament, and the Government; one each from the judiciary, prosecution and public defenders; and one each from the Catholic Church, other religious faiths and women's organizations. Of the 15 members of the Commission, five are women. UNMIT, through its electoral advisers, is committed to providing assistance to the Commission and to supporting the new Commissioners.

15. The Technical Secretariat for Electoral Administration has commenced work to update the voter registry, which will proceed throughout the districts. Actual voter registration, however, must be overseen by the Commission and can only start once that body has been fully established. UNMIT provided eight advisers to Parliament and Government, as well as 43 additional staff, mostly in the districts, to assist the officials of the Technical Secretariat in preparing logistical support, training for officials and voter education programmes. It will be a major challenge for the Timorese authorities, supported by UNMIT, to ensure the full involvement of political parties and the general public in the electoral process, to train party agents and to conduct both civic and voter education in the time remaining before the elections.

16. The United Nations Development Programme (UNDP) continues to support the electoral process through capacity-building projects aimed at developing the institutional capacity of the electoral management bodies. UNMIT has established an integrated coordination mechanism to strengthen the "one United Nations" approach to the elections in order to ensure that all dimensions of the electoral process are addressed in a coherent and consistent manner by the Mission and its partners in the United Nations country team. This coordination structure aims to ensure information flow, consistent messaging and coordinated management, with a particular focus on legal aspects, security, logistics, public information and outreach, including such cross-cutting issues as gender, human rights and public participation. UNMIT promoted the involvement of women in all aspects of the electoral process, in collaboration with the relevant partners of the United Nations country team.

17. The Independent Electoral Certification Team (see S/2006/628, para. 54) made three visits to Timor-Leste and issued three reports. The comments of the Certification Team are based on international standards for credible elections and tied to a series of benchmarks that were defined in its first report. The reports, which have been distributed by UNMIT to the political parties and population at large, have provided, inter alia, observations on the approved legislation, including recommendations for amendments. It is hoped that the Timorese authorities will take steps to implement the key recommendations of the Certification Team so as to ensure credibility of the electoral process.

C. Follow-up to the report of the Independent Special Commission of Inquiry

18. Following the request of the Government of Timor-Leste, on 12 June 2006 I requested the United Nations High Commissioner for Human Rights to establish an independent special commission of inquiry. The Commission was tasked with establishing the facts and circumstances relevant to incidents that took place on 28 and 29 April and from 23 to 25 May and related events or issues that contributed

to the crisis and with clarifying responsibility for those events. In addition, the Commission was mandated to recommend measures to ensure accountability for crimes and serious violations of human rights allegedly committed during that period, taking into account the fact that the Government of Timor-Leste considers that the domestic justice system should be the primary avenue of accountability. The report of the Commission (S/2006/822, annex) was first submitted to me, then presented to the Parliament on 17 October and subsequently widely distributed in the country. The UNMIT leadership prepared politically for the release of the report by providing accurate information and clarification on the Commission's mandate and the status of its work to relevant institutions and interested parties, as well as to the public. In addition, in view of widespread speculation of possible negative reactions after the report's release, UNMIT, together with the international security forces, undertook the necessary security preparations. UNMIT also publicly urged, and privately urged the Timorese leadership, that swift action should be taken on the Commission's recommendations, in particular by the Judiciary.

19. Both prior to and following the issuance of the report, on 5 and 17 October, the President, the National Parliament President and the Prime Minister issued joint public statements, in which they called for a commitment, in particular from political parties and civil society, to peace and stability and an end to the violence. They also reaffirmed respect for the independence of the judiciary and its responsibility to undertake further investigations and prosecutions and indicated that the recommendations contained in the Commission's report relevant to executive power should be submitted to the Council of Ministers. The leaders of Timor-Leste have reiterated to my Special Representative their conviction about the need for justice and their determination to act against impunity. In presenting the position of the F-FDTL on the Commission's report at a press conference on 25 October, the F-FDTL command reaffirmed cooperation with the justice system and offered its apologies to the Timorese people for the offences and damages caused by F-FDTL during the crisis, while also maintaining that the Commission's report had failed to put the crisis in its political context and proposing the creation of a complementary parliamentary investigation commission. Fretilin, in a statement of 29 October by its Central Committee, presenting its analysis of the causes of the crisis, indicated that there were shortfalls in the Commission's report and stated that it ignored the real causes of the crisis and important facts. Fretilin maintained that justice should be carried out.

20. On 8 November, the Parliament established a seven-member ad hoc parliamentary commission to, inter alia, study the report of the Independent Special Commission. The parliamentary commission submitted its findings to the President of the Parliament on 12 December. After considering that report, the Parliament passed a resolution on 9 January 2007, which, inter alia, adopted the recommendations of the Independent Special Commission of Inquiry and the additional recommendations of the ad hoc parliamentary commission. In that resolution, the Parliament also stated that it would take the political and legislative measures considered appropriate for the implementation of those recommendations. The Parliament mandated the Office of the Provedor for Human Rights and Justice to follow up on the implementation of the recommendations and to report monthly. It also established a parliamentary commission of inquiry to determine the facts and causes of the crisis that had not been the object of inquiry by the Independent Special Commission of Inquiry. The Parliament also recommended, inter alia, that

an investigation be carried out by the United Nations in order to fully clarify the participation of UNOTIL in the events of 25 May 2006 (see S/2006/628, para. 9).

21. On 1 December, the Council of Ministers approved a resolution regarding measures for assistance and reparations to victims of the crisis. A draft Decree Law setting up a special pension regime for the families of PNTL and F-FDTL members who died while serving the State and for those members who had become permanently disabled as a direct consequence of the crisis is being prepared. Families of civilians who died and civilians who sustained injuries as a result of the crisis or who lost property were requested by the Government to come forward to receive financial support.

22. A number of judicial proceedings in relation to the events of April-May 2006, some of which had been initiated before the release of the Commission report, were ongoing. The trial of former Minister of Interior, Rogerio Lobato, charged with embezzlement, the unlawful use of weapons in the disruption of public order, manslaughter and attempted manslaughter, and three co-defendants charged with unauthorized possession of a firearm, commenced on 30 November 2006. It was immediately adjourned because of the absence of one of the co-defendants. On 28 December, a number of shots were allegedly fired by unknown persons at the house of one of the main witnesses in this trial. In response, witness protection measures were put in place by UNMIT police. The trial resumed on 9 January 2007. Despite the presence of more than 800 demonstrators in support of the former Minister on the first day of the trial, proceedings on that and following days went smoothly. On 12 January 2007, the Dili District Court remanded three members of the F-FDTL and one PNTL officer into preventive detention in relation to the shooting of unarmed PNTL officers on 25 May 2006, which had caused the death of eight PNTL officers and injury to 25 other officers and two UNOTIL police. One PNTL Deputy District Commander and two PNTL officers are awaiting trial in detention for illegal possession of firearms, while one civilian, initially placed in pre-trial detention on a murder charge, was conditionally released by the court and ordered to report weekly to the police while awaiting trial. UNMIT regularly monitored the judicial proceedings and provided security as needed. Former Prime Minister Alkatiri remained under investigation by the Prosecutor-General in relation to alleged distribution of weapons, but without charges having been brought against him. A Member of Parliament, Leandro Isaac, is also under investigation by the Prosecutor-General's office in relation to the alleged possession of a firearm and his alleged involvement in the armed confrontation at the house of the F-FDTL Commander on 24 and 25 May 2006.

23. On 29 November 2006, the Prosecutor-General requested assistance from the United Nations in recruiting an international prosecutor as Deputy Prosecutor-General to lead the investigation and prosecution of persons involved in the incidents cited by the Commission. A candidate was jointly identified by the relevant Timorese authorities and UNMIT, and the necessary donor funding was secured. UNMIT and UNDP also continued to work together with national and international partners to strengthen the justice system with additional human and institutional resources.

24. Meanwhile, the Office of the Provedor for Human Rights and Justice continued its investigation into the events of April-May 2006 and, along with non-governmental organizations working in the field of human rights, has taken up

its role as independent monitor of the implementation of the recommendations of the Independent Special Commission of Inquiry. A key objective of these monitoring activities is to ensure that reconciliation efforts are not undertaken at the expense of justice and accountability for crimes committed during April-May 2006.

D. Promotion of human rights and the administration of justice

25. UNMIT's Human Rights and Transitional Justice Unit worked with the Provedor for Human Rights and Justice and relevant non-governmental organizations to monitor and observe the general human rights situation. This work has focused primarily on the rights of persons in detention, although the right to property and housing has also been a key issue. UNMIT's ongoing activities to strengthen the capacity of the Provedor, non-governmental organizations working in the human rights field and the PNTL are carried out with the support of and in collaboration with relevant partners in the United Nations system. On 29 November, the Office of the Provedor, the Office of the United Nations High Commissioner for Human Rights (OHCHR) and UNDP signed a three-year capacity-building project, to begin in 2007, which will strengthen the ability of the Office of the Provedor to monitor and protect human rights throughout the country, including of vulnerable groups such as internally displaced persons, women, children and the elderly. The United Nations Children's Fund (UNICEF) provided support on critical issues related to children, including in the areas of community policing, strengthening of the Vulnerable Persons Unit and juvenile justice, on which it worked extensively with the Ministry of Justice, including on the drafting of the children's code and other legislative instruments to strengthen compliance with the Convention on the Rights of the Child.

26. Combating impunity is an issue that extends beyond the scope of the Independent Special Commission of Inquiry. Some progress was made to counter impunity in the police force when four inactive PNTL officers were arrested during the post-crisis violence in Dili; these officers are currently in pre-trial detention. In December, the Baucau district court convicted three PNTL officers and issued suspended sentences for officers responsible for the maltreatment of a detainee in late 2004.

27. The challenges confronting the judicial system outlined in my previous report (see S/2006/628, paras. 81-88) continued to impede its effective functioning. In recent months, arrests in Dili, in particular, have created an additional backlog of cases. The capacity of the judicial system promptly to deal with its backlog and with the growing number of cases is limited, requiring it to prioritize the most serious crimes. A large number of those arrested for lesser offences were released by judicial authorities owing to capacity limitations as well as to technical deficiencies in the submission of case files. Increasingly, reports of intimidation of witnesses and the absence of mechanisms for witness protection are hampering prosecutions. These factors, coupled with a general lack of understanding among the population about judicial procedures have contributed to a growing perception that impunity is tolerated. UNMIT and UNDP are working with national authorities to overcome these bottlenecks and to facilitate longer-term capacity-building within the justice system institutions, including through UNDP's justice support programme. This programme will require additional donor funding, however, if it is to further expand its activities to respond to evolving needs. UNMIT is in the process of recruiting

qualified personnel to initiate, in collaboration with the relevant Timorese authorities and civil society, the comprehensive judicial review mentioned in my previous report (see S/2006/628, para. 88).

28. Furthermore, UNMIT is recruiting experts to establish a Serious Crimes Investigation Team which will work with the Prosecutor-General to complete the outstanding investigations into serious crimes committed in 1999 initiated by the former Serious Crimes Unit. In preparation, UNMIT retained five Timorese specialists to restore the records of the Serious Crimes Unit, which were destroyed during the violent incidents in May 2006. The report of the Commission for Truth, Reception and Reconciliation was disseminated in all districts by the Technical Secretariat that succeeded the Commission which was set up by President Gusmão on 20 December 2005. The President reiterated his support for the work of the Technical Secretariat and asked it to continue its work until a follow-on institution is established by Parliament. The bilateral Indonesia–Timor-Leste Commission for Truth and Friendship also continued its work in relation to the events of 1999.

III. Restoration and maintenance of public security

A. Police

29. From the inception of the Mission, priority has been given to the deployment of UNMIT police to help restore and maintain public order, particularly in Dili, as a precondition for the achievement of the other key elements of the Mission's mandate. UNMIT absorbed 24 police officers from the previous United Nations Mission (United Nations Office in Timor-Leste (UNOTIL)) as the initial nucleus for its police component. Subsequently, police officers who had served with the international security forces transferred to UNMIT, starting with individual officers and formed police units from Portugal and Malaysia, and continuing with those from Australia. In parallel, additional police officers and formed police units were deployed to UNMIT so that, by the end of December, the Mission had 1,070 police officers on the ground, including 427 in three formed police units from Bangladesh, Malaysia and Portugal. As part of the UNMIT police induction programme, UNMIT's Human Rights and Transitional Justice Unit and other relevant United Nations partners provided training for all incoming United Nations police officers on the international human rights framework, including sexual exploitation and abuse.

30. While the overall security situation has remained volatile, the trend has been towards increasingly longer periods of calm and fewer outbreaks of violence, due, in part, to the increased presence and numbers of UNMIT police officers in communities throughout all districts of the country, including internally displaced persons' camps, where they work with approximately 250 screened PNTL officers and rely on the close support of the international security forces, as needed. Civil disturbance incidents in Dili have decreased from an average of 20 to 30 daily in September and October, to 10 to 15 from November through January. Those averages need to be seen, however, in the light of spikes in violence that have occurred and which could continue to be triggered at any time, for example when the UNMIT police had to defuse 49 rock-fighting incidents in a single day on 24 October, or when violent incidents, street fighting and house burning suddenly

increased in Dili on 21 and 22 January, resulting in four murders. Overall, since UNMIT's establishment in late August, 295 cases have been referred to the PNTL National Investigation Department, including 53 murders, 37 attempted murders, 26 serious assaults and 45 arson incidents, 10 rapes and two sexual assaults of minors. Of those cases, 256 occurred in Dili and 39 in the rest of the country. This led to 46 arrests. As regards the 57 inmates, including Major Reinado, who escaped from Becora prison on 30 August, only two convicted prisoners from this group surrendered to the UNMIT police and are back in prison, while the remaining escapees, who were pre-trial detainees, are still at large and remain a serious security concern.

31. As had been the case from the onset of the crisis in early 2006, Dili has remained the main centre of incidents of violence, and security is still fragile in various neighbourhoods of the city. The earlier east/west-based violence in Dili, which had resulted in a number of deaths, serious injuries and burning of houses, on occasion involving persons in internally displaced persons' camps and in the surrounding areas, decreased over the reporting period. On the other hand, localized violence increased between neighbourhood youth gangs and members of rival martial arts groups, largely confined to Dili but with occasional incidents in other districts. Rocks, machetes and iron darts continued to be the most commonly used weapons in such gang-fights, in some cases causing deaths or serious injuries. Of growing concern were a few incidents in which firearms and hand-grenades were used. Nevertheless, the overall level of violence has decreased in recent months, in part due to the increase in dialogue initiatives in Dili as well as intensified community-policing efforts of UNMIT, the establishment of additional police posts in troubled areas and the installation of a toll-free national emergency line, all of which facilitated increased police responsiveness. In addition, Prime Minister Ramos-Horta and other local leaders as well as UNMIT police, made increased efforts to bring together martial arts groups to peacefully settle their differences, to discourage violence and to work towards improvement in the security situation.

32. During the first half of the reporting period, UNMIT police and its formed police units focused on restoring and maintaining law and order in Dili. Subsequently, starting at the end of November, small numbers of UNMIT police deployed to the 12 districts outside of Dili, where they worked together in co-location with PNTL officers who remained operational throughout and following the crisis. The nationwide presence of UNMIT police officers enhanced their understanding of the security situation in the districts and helped to pre-empt some tense situations from escalating into violence, as evidenced by the prevention of large-scale fighting between rival martial arts groups in Maubisse in early January. In order to encourage cooperation from the local communities and promote a better, understanding of its initiatives and activities, UNMIT police, in collaboration with the UNMIT Public Information Office, disseminated information on police operations through press conferences as well as daily radio and regular television broadcasts. UNMIT police also provided personnel to serve in UNMIT's Joint Operations Centre and Joint Mission Analysis Cell.

33. The signing of the "Arrangement on the Restoration and Maintenance of Public Security in Timor-Leste and Assistance to the Reform, Restructuring and Rebuilding of the Timorese National Police (PNTL) and the Ministry of Interior" between the Government of Timor-Leste and UNMIT on 1 December 2006 clarified the roles and responsibilities of UNMIT police and its relationship with PNTL and

the Ministry of Interior. As required under this Arrangement, a comprehensive assessment of PNTL, including its 13 police districts, PNTL headquarters and subordinate units and the PNTL specialized units has commenced. This assessment will serve as the basis for the development of a reform, restructuring and rebuilding plan, which will cover all aspects of capacity-building and institutional development of PNTL. The plan will be developed in close cooperation with the Timorese authorities in order to ensure sustainability and full national ownership. It is envisaged, at this stage, that up to five years will be needed to complete the full reconstitution of PNTL as an effective police force.

34. With the support of UNMIT's Human Rights and Transitional Justice Office, the Office of the Provedor and civil society organizations, UNMIT police established a screening process for PNTL. As of 22 January 2007, 1,087 out of 1,232 Dili-based PNTL officers had registered for screening. Two-hundred and seventy-six PNTL officers completed the Police Academy's provisional certification course and, as no allegations of criminal acts or human rights violations came to the attention of UNMIT, they returned to active duty without firearms under the mentorship of UNMIT police. During the screening process, 342 PNTL officers were identified as requiring further investigation. The remaining Dili-based PNTL officers are still going through the screening process. About 2,000 PNTL officers deployed in the districts will undergo the screening process in the coming months. In response to a request from the Timorese Government, screening of PNTL members of the Rapid Intervention Unit was given priority to ensure the co-location of screened and re-trained officers from this Unit with UNMIT formed police units before the elections. Other specialized PNTL units, including the Border Police Unit, will also be subject to careful screening in the near future.

35. Among some sections of Timorese society, the volatile security situation in Dili was perceived as a potential obstacle to the conduct of elections without threat of violence or intimidation, in particular violence using weapons that remain unaccounted for since the crisis. UNMIT police and the international security forces continue to undertake joint efforts to locate and recover these firearms. In preparation for the elections, UNMIT police has drafted an operational plan to ensure the necessary security coverage throughout the country from the election campaign period through the immediate post-electoral period. The development and implementation of the elections security plan is being closely coordinated with UNMIT's Electoral Assistance Office and the Timorese authorities, with the operational support of the international security forces as needed. The UNMIT police deployment to the 13 districts was closely coordinated with the movement of electoral staff.

36. In a joint letter to me dated 7 December 2006 (S/2006/1022, annex), President Gusmão, Prime Minister Ramos-Horta and National Parliament President Guterres requested that UNMIT police deployment be reinforced with an additional formed police unit "to ensure the elections are held in a secure and peaceful environment", and suggesting that Portugal might contribute another unit. I support this request. If approved by the Council, the additional formed police unit could strengthen UNMIT's capacity to address security challenges during the electoral and immediate post-electoral period, especially in Dili and its adjacent districts of Ermera, Aileu, Ainaro, Liquica and Manufahi, and thus increase public confidence in the peaceful nature of the elections.

B. Military

37. At a meeting held on 11 November 2006, the Government informed UNMIT and the international security forces of its intention to "normalize" F-FDTL operations, which was justified by the finding of the Independent Special Commission of Inquiry that an alleged massacre by F-FDTL did in fact not take place. UNMIT representatives at that meeting noted that there were still apprehensions concerning the F-FDTL among some sectors of society and that not all findings of the Commission of Inquiry concerning F-FDTL had been addressed. They urged that "normalization" proceed cautiously and in close coordination with the international security forces in the country. The Government undertook to share an action plan setting out the steps of the "normalization" of F-FDTL. The Mission is awaiting receipt of the plan. Nevertheless, since that date, armed F-FDTL soldiers have been increasingly present in public, including near the Dili District Court on 12 January during a preliminary hearing related to a number of F-FDTL soldiers. At times, they have also provided static security for State facilities and public events. The presence of armed F-FDTL soldiers has been perceived by some among the population as intimidating and exacerbating the sense of insecurity.

38. The Government, with the support of UNMIT, has initiated a comprehensive review of the security sector, including F-FDTL, the Ministry of Defence, PNTL and Ministry of Interior. The first three meetings of a joint working group for security sector reform took place on 18 December 2006 and on 19 and 24 January 2007. These meetings, co-chaired by the Vice Minister of Interior, the Permanent Secretary of the Ministry of Defence and my Deputy Special Representative for Security Sector Support and Rule of Law, discussed terms of reference as well as the proposed establishment of a Joint Steering Committee to guide the working group. As stated in my report of 8 August (S/2006/628, para. 62), this review will, inter alia, address difficulties that have confronted the sector and contributed to the crisis of April-May 2006; the tensions between F-FDTL and PNTL; and ways in which the relationship between the two institutions can be changed from a competitive to a cooperative one. It is expected that the ongoing UNMIT assessment of PNTL and the Ministry of Interior, and the plans to reconstitute PNTL and strengthen the Ministry of Interior, will feed into the security sector review. In assisting the Government in conducting this review, which will aim to facilitate a holistic approach to the security sector and coordinate reform efforts in the areas of policing and defence, UNMIT will identify advisers, in cooperation with other partners, to support the Government in strengthening institutional capacity.

39. UNMIT's military liaison officers, in addition to maintaining a continuous impartial presence in the three border districts and Dili, serve as core personnel for the staffing of the Mission's Joint Operations Centre and Joint Mission Analysis Cell, as well as the Joint Logistics Operations Centre. In addition, the Chief Military Liaison Officer acts as the principal military adviser to my Special Representative and needs to be aware of military and security-related events throughout Timor-Leste. In view of this, and recognizing the need for uniform levels of liaison and cooperation with the international security forces and the UNMIT police, some military liaison officers may need to be relocated to Baucau. This would enable these officers to monitor, along with the UNMIT police, the situation in the eastern districts of Timor-Leste and to provide impartial feedback and advice to my Special Representative on security issues related to those districts, particularly prior to and

during the elections. In addition, UNMIT's military liaison officers will provide capacity to support the implementation of functions under the Trilateral Coordination Forum and the military technical arrangement (see paras. 40 and 41 below).

40. At the initiative of the Government, a Trilateral Coordination Forum, with participants from the Government, UNMIT and the international security forces, is soon to be established, following the signing of a memorandum of understanding in Dili on 26 January between the Timorese Government, the United Nations and Australia on the provision of assistance to Timor-Leste. Under this arrangement, the Trilateral Coordination Forum will serve as a mechanism for the Government, UNMIT and the international security forces to discuss issues relevant to the stabilization of the security environment in Timor-Leste, including security operations, and will ensure full coordination between the participants, through close consultation and will information-sharing.

41. Within the context of the cooperation and assistance envisaged under paragraphs 5 and 7 of resolution 1704 (2006), in September 2006 the United Nations proposed to the Government of Australia, as the lead nation of the international security forces, a technical arrangement concerning cooperation with and assistance to UNMIT (the "military technical arrangement") to strengthen and formalize the interim security arrangements established through the exchange of letters between the Department of Peacekeeping Operations and Australia dated 26 and 29 May, respectively. While appreciated, these interim arrangements did not constitute a dedicated military capacity to provide the required security support for UNMIT, as described in my report of 8 August (S/2006/628, para. 117). I am pleased that, following extensive negotiations, the United Nations and Australia signed the military technical arrangement on 25 January in New York. Under this arrangement, Australia will provide two dedicated armed companies, with necessary support elements, to ensure adequate protection for United Nations premises and properties as well as a rapid response capacity for the UNMIT police.

42. Prior to finalization of the military technical arrangement, the international security forces provided ad hoc back-up support to the UNMIT police, established static security at selected Government facilities in Dili and dealt with security incidents outside of Dili. Regular weekly meetings were instituted between the UNMIT leadership and the international security forces command in order to maintain coordination and ensure information-sharing.

IV. Support for the "compact", democratic governance, socio-economic development and humanitarian relief

A. Facilitation of the "compact" process

43. The "compact" between Timor-Leste and the international community entails a reorientation of the existing national development plan and external financing, as required, to address the crisis and its causes. It aims to ensure that UNMIT activities are complemented by and coordinated with the Government's own budget resources and bilateral and multilateral cooperation programmes. Following a meeting called by Prime Minister Ramos-Horta on 2 December 2006, attended by the First Deputy Prime Minister, the Minister of State Administration, then acting Special

Representative Reske-Nielsen and World Bank representatives, the structure of the compact was agreed upon. It will be composed of an interministerial compact committee, chaired by the First Deputy Prime Minister and supported by a secretariat made up of representatives of Government institutions, with support by UNMIT and the World Bank. The Government has already taken steps to identify its most urgent priorities emerging from the 2006 crisis, including: elections; national reconciliation; public safety/security; strengthened communication with civil society and Timorese society at large; justice; humanitarian assistance and housing; improved budget execution and delivery of basic services; youth employment; decentralization; and public sector reform. The Government has proposed a time frame of 24 months. The first high-level "compact" meeting between the Government and the international community is scheduled to take place on 5 February 2007.

44. Taking an integrated approach, UNMIT has collaborated with the United Nations agencies, funds and programmes so that respective programmes focus on the compact priorities. In September 2006, the United Nations country team in Dili and international financial institutions reprioritized their activities in the light of the crisis, in five core areas: basic services; governance; immediate income generation and economic development; security, conflict resolution and reconciliation; and empowering disenfranchised groups. The members of the United Nations country team, based on the respective mandates and expertise of its members, has taken on specific responsibilities, which have also resulted in strengthened working relationships between the members of the United Nations family.

B. Enhancing democratic governance

45. UNMIT continued to support the Government and relevant institutions and development partners to implement poverty reduction and economic growth policies as well as strategies to underpin the strengthening of the democratic system. It also provided high-level independent advice to State institutions as well as to United Nations agencies, funds and programmes and other development partners to guide longer-term capacity-building efforts. The efforts of UNMIT advisers ranged from providing political and legal support to the electoral process to helping to ensure that gender dimensions and a human rights approach is mainstreamed throughout the activities of the State institutions.

46. As part of its integrated approach, UNMIT is working closely with the United Nations country team, in particular UNDP, and in coordination with bilateral partners in support of the Government's longer-term capacity-building projects for the four organs of sovereignty. In addition to focusing on enhancing institutional systems, skills and attitudes within each organ of sovereignty, these projects seek to promote a balance and separation of powers as enshrined in the constitution. Some of the immediate priorities of these projects are continued strengthening of the justice sector as well as oversight institutions, including support to the Office of the Provedor for Human Rights and Justice and civil society organizations. Agreement has been reached between the Government of Timor-Leste and UNDP to provide, with donor support, technical support for enhancing transparency and anti-corruption measures.

47. The Office for the Promotion of Equality, with the support of the United Nations Development Fund for Women (UNIFEM) and in collaboration with various national stakeholders, provided training sessions to community leaders, focusing on strengthening the role of women leaders in village councils as well as the role of village chiefs in the prevention of domestic violence. Through a joint Government-European Commission-UNDP-UNIFEM project to enhance rural women's leadership and participation in nation-building, a series of dialogues was initiated between national women leaders, representatives from the Office for the Promotion of Equality, and government ministries, women parliamentarians and women representatives in the village councils, aimed at strengthening the linkages between national and local women leaders as well as community support structures for women.

C. Socio-economic development

48. The majority of the population in Timor-Leste remains affected by poverty and chronic deprivation, with one fifth living on less than one United States dollar per day. Non-petroleum gross domestic product (GDP) per capita income was $360 in 2005, with Timor-Leste ranked one-hundred and forty-second of the 177 countries included in the UNDP *Human Development Report 2006*. Social tensions are exacerbated by unemployment (particularly for youth) and general lack of opportunities, particularly in the capital. The Government has a manifest commitment to pro-poor policies, and approximately 34 per cent of the total State budget is currently allocated to social services. This has not yet generated the desired development outcomes, however, partly because of weak institutional and human capacities in line ministries and low budget execution. A number of bilateral and multilateral partners are providing assistance to the national authorities in budget execution.

49. With technical and financial support from UNICEF, the United Nations Population Fund (UNFPA) and UNDP, the Government launched Timor-Leste DevInfo on 19 December 2006 as the national system to monitor progress towards the Millennium Development Goals. In addition, UNDP, the World Bank and the International Labour Organization (ILO) have worked together on poverty assessment, living standards and a national employment strategy focusing on youth unemployment, a major concern and one of the priority areas of the "compact". A joint Government-European Commission-UNDP project to construct five bridges in the potentially rich agricultural areas in the eastern region of the country is under way. ILO, in partnership with UNDP, continued the implementation of employment creation initiatives, including skills training and creation of short-term employment opportunities, with a view to meeting basic needs and reducing conflict.

D. Humanitarian relief

50. The situation of internally displaced persons continued to dominate the humanitarian agenda, with an estimated 150,000 persons who were originally displaced by the violence in April-May 2006 continuing to live in camps and with host communities in the districts. The Government undertook significant efforts to address this challenge and to coordinate international assistance. Several United Nations agencies, including the World Food Programme (WFP), the International

Organization for Migration (IOM), the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Health Organization (WHO), UNFPA and UNICEF, together with international non-governmental organizations, provided food assistance, protection, shelter, camp management and camp coordination, water and sanitation services, education and emergency health interventions. The Food and Agriculture Organization of the United Nations (FAO), UNDP and ILO provided support for the set-up of livelihoods and cash-for-work activities, particularly aimed at neighbourhoods of Dili affected by the crisis. UNDP also conducted assessment surveys of damaged houses in order to better plan the rehabilitation and reconstruction phase. Humanitarian assistance was coordinated by the Minister of Labour and Community Reinsertion and the United Nations Humanitarian Coordinator, with the support of the Office for the Coordination of Humanitarian Affairs.

51. At the beginning of November, the Prime Minister and the then acting Special Representative co-chaired a national retreat on the situation of internally displaced persons, which led to a general consensus among the Ministries, United Nations agencies and non-governmental organizations that efforts to assist internally displaced persons to return to their homes in Dili or to relocate to other suitable areas should be increased. As a result, an operational plan for durable solutions to internal displacement was prepared to support the return and reintegration process. However, as of January 2007, around 100,000 persons remain displaced, although these numbers fluctuate. In June 2006, internally displaced persons were almost evenly distributed between Dili and the districts, but since then there has been a shift from Dili to the districts, with an estimated 29,000 persons remaining in camps in Dili and the rest staying with host families in the districts and in internally displaced persons' camps in Baucau. The onset of the rainy season in December aggravated the situation in the camps. The international community assisted the Government in identifying and setting up alternative emergency shelter sites for internally displaced persons staying in high-risk camps. As at 31 January 2007, general food distribution to internally displaced persons in camps in Dili district will come to an end and will be replaced by food assistance on the basis of assessed vulnerabilities. Targeted food distribution will continue in the districts.

52. It is likely that the crisis with regard to internally displaced persons will continue for some time owing to a number of underlying factors. More than 2,200 houses have been destroyed and more than 1,600 damaged. This means that, in the near future, more than 20,000 persons will remain without a home to return to. The Government has designed transitional shelter plans for families whose houses have been destroyed and will assist with construction material for damaged houses. However, current construction plans address only a small percentage of shelter needs, and complex land and property issues complicate the return and reintegration, as does the verification of compensation claims. Furthermore, until the underlying causes of the situation of insecurity and political crisis are resolved, the potential for durable solutions will remain uncertain given the persistence of genuine fear among internally displaced persons about security in areas of return.

53. A Consolidated Appeal was launched on 17 January 2007 to respond to remaining humanitarian and ongoing protection needs for a period of six months beyond December 2006. It includes 31 projects amounting to $16.6 million to provide humanitarian assistance to the most vulnerable groups, with a particular focus on displaced populations, host communities, children, women and youth, as

well as to facilitate their return, relocation and reintegration, including through activities aimed at creating an environment that is conducive to reconciliation and peaceful coexistence. Projects proposed in the appeal focus particularly on the districts, where the majority of the affected population is currently located. The appeal will, at the same time, support the transition to early recovery and rehabilitation.

V. Support issues

54. When UNMIT was established on 25 August 2006, it absorbed the limited remaining staff, facilities and residual, ageing, equipment from UNOTIL. Over the following four months, with prioritization on UNMIT's police deployment to deal with the major public order tasks in Dili, the initial focus of UNMIT's administration was on providing minimum essential support for these police operations. Currently, a major priority is facilitating and supporting the deployment of UNMIT police and electoral assistance staff to districts outside Dili, in preparation for electoral support operations. A key element of this support will be the establishment of four regional support centres, in Baucau, Maliana, Suai and Oecussi, expected to become operational in early 2007. The first deliveries of new equipment, especially of communications and information technology and vehicles, began to arrive in early December 2006.

55. In the interim, UNMIT's administration worked to re-establish the essential mission infrastructure throughout the UNMIT operational area, as almost all of the premises and fixed installations of the previous United Nations missions had already been transferred to the Government. While the Government reacted positively and quickly in transferring required facilities back to the Mission, most of these needed rehabilitation. A further major task has been the recruitment of additional national and international staff for UNMIT, particularly given the range of expertise required in specialized areas.

VI. Financial aspects

56. The General Assembly, by its resolution 61/249 of 22 December 2006, authorized me to enter into commitments in the amount of $170.2 million for UNMIT for the period from 25 August 2006 to 31 March 2007. The full budget of the Mission for the 2006/07 financial period is currently under preparation and will be submitted to the General Assembly for its consideration during the first part of its resumed sixty-first session. By the same resolution, the Assembly also decided to assess on Member States the amount of $170.2 million approved for the deployment of UNMIT. Pending notification of Member States of the amounts due from them and receipt of assessed contributions, the Mission's activities are being financed from the Peacekeeping Reserve Fund. As at 30 November 2006, the total outstanding assessed contributions for all peacekeeping operations amounted to $2,211.3 million.

VII. Observations and recommendations

57. The overall situation in Timor-Leste has improved, although the security situation in the country remains volatile and the political climate fluid. Political tensions have, to some extent, subsided thanks to the commendable efforts of the Timorese leadership towards dialogue and reconciliation. It is important that these efforts be continued and deepened so that, through effective policies, the underlying causes of the crisis can be fully addressed in the longer term. The character of the electoral campaign, the conduct of the elections itself and the process of Government formation will be important indicators, as will the return and resettlement of internally displaced persons, of the extent to which the present political dialogue has resulted in tangible reconciliation.

58. The judicial sector, a key component of the rule of law, remains weak in a number of areas, and UNMIT, together with many partners in the wider international community, stands ready to assist in strengthening it. The Mission's continued collaboration with the Government in going forward, with an independent, comprehensive review and analysis of the justice sector that will hopefully lead to an overarching strategic plan to guide further efforts. Substantive follow-up to the recommendations of the Independent Special Commission of Inquiry, which has recently begun, will go a long way to increase confidence in the rule of law in the country. The continued full commitment of all actors in Timor-Leste, at the governmental and grass-roots levels, to ensure that justice is pursued will be critical to win the fight against impunity.

59. In the security sector, progress has been made, especially in the screening of Timorese police officers for service in PNTL; more than 200 of them are already back on the streets serving alongside their UNMIT police colleagues. However, the screening process and the comprehensive assessment of PNTL have also revealed serious difficulties and weaknesses that will need to be addressed in the context of the reform, restructuring and rebuilding plan presently being formulated. The Independent Special Commission of Inquiry has cleared F-FDTL of the most serious allegation of a massacre in Taci Tolu on 28 and 29 April, and a number of F-FDTL soldiers have submitted to judicial proceedings regarding alleged offences committed during the crisis. Still, some of the other findings and recommendations in the report of the Independent Commission related to F-FDTL and PNTL need to be addressed.

60. As was highlighted in my previous report, F-FDTL faced considerable challenges, even before the crisis, which need to be addressed, along with those facing PNTL, in a holistic manner in the comprehensive review of the security sector. The review, with UNMIT assisting the Government in carrying it out, may help to resolve longstanding problems in the sector, restore public and international confidence in the security institutions and bring about a more cooperative relationship between PNTL and F-FDTL.

61. While much remains to be done, UNMIT has made substantial progress, in collaboration with bilateral and multilateral partners, towards implementation of its mandated tasks related to transitional law enforcement, police reform, elections and good offices. It has pursued an integrated approach, bringing together the peacekeeping mission with the United Nations country team to

coordinate activities in mandated priority areas in order to achieve greater impact and results for the benefit of the Government and population of Timor-Leste. At the same time, in order to address the simultaneous short-, medium- and long-term needs of Timor-Leste in an efficient way, UNMIT and the United Nations country team are working in a complementary manner, with UNMIT focusing primarily on the immediate challenges in priority mandated areas and the country team focusing more on medium- to long-term challenges, in addition to addressing immediate humanitarian issues.

62. On the other hand, UNMIT has also faced a number of obstacles and challenges. Some sections of the Mission are still not adequately staffed, pending the recruitment of qualified staff with the requisite expertise in specialized areas. While awaiting the full complement of staff, some mandated tasks, in particular those related to judicial and security sector support as well as serious crimes investigation, have proceeded more slowly than anticipated. With the arrival of additional key staff, we expect to accelerate progress in these areas.

63. In my view, an extension of the UNMIT mandate for a period of 12 months would send an important signal of the willingness of the Security Council to sustain its commitment to Timor-Leste. It is assessed that no major changes in the mandate of UNMIT are envisaged until after the forthcoming presidential and parliamentary elections. However, in order to strengthen security for the critical electoral process, I support the Government's request that an additional formed police unit be deployed. This unit would be based in Dili to support the existing formed police units and to respond specifically to possible incidents that may arise in the potentially volatile western districts adjacent to the capital, in particular during the pre- and post-electoral period.

64. Following the elections, I intend to report to the Security Council and to submit recommendations for any possible adjustments in the UNMIT mandate and strength. As indicated in the report of 8 August 2006, after the elections, approximately 600 police officers could be gradually phased out and the capacity of formed police units downsized to one unit of 140 personnel. The pace of this downsizing will need to be carefully considered by a post-election assessment. Until PNTL is fully reconstituted and developed, it will be important to maintain sufficient numbers of UNMIT police and to continue the Mission's support to the security and rule of law sectors.

65. In order to be sustainable in the long run, the efforts in the political and security sector spheres need to enjoy the full ownership and acceptance of the Timorese stakeholders. They also need to be underpinned by tangible progress and dividends in economic and social development. Given that Timor-Leste now derives considerable income from oil and gas exports, capacity-building and strengthening budget execution will be fundamental to laying the foundation for sustainable growth. For the time being, however, the humanitarian challenge still exceeds the Government's capacity. I welcome, therefore, the new consolidated appeal covering the first six months of 2007. The international donor community was generous in supporting humanitarian assistance to Timor-Leste in 2006. It is hoped that donors will consider contributing towards the 2007 appeal with the same generosity.

66. **In conclusion, I would like to express my appreciation to my Special Representative, Atul Khare, and to my former Special Representative Sukehiro Hasegawa, for their leadership of UNMIT as well as to all the men and women of UNMIT and the United Nations country team for their dedicated efforts to discharge the mandate entrusted to the Mission by the Security Council.**